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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/997,640	11/29/2001	George H. Lee	G04.009	7479
67338	7590	12/12/2007		
BUCKLEY, MASCHOFF & TALWALKAR, LLC GENERAL ELECTRIC COMPANY 50 LOCUST AVENUE NEW CANAAN, CT 06840			EXAMINER SHERR, CRISTINA O	
			ART UNIT 3621	PAPER NUMBER
			MAIL DATE 12/12/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/997,640	Applicant(s) LEE, GEORGE H.	
	Examiner Cristina Owen Sherr	Art Unit 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 August 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-19 and 21-24 is/are pending in the application.
- 4a) Of the above claim(s) 11-14, 16, 22 and 23 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-10, 15, 17-19, 21 and 24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>8/29/02</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in response to applicant's amendment filed August 29, 2007. Claims 1-19, and 21-24 are currently pending in this case. Claims 1-10, 15, 17-19, 21 and 24 are under examination. Claims 11-14, 16, and 22-23 have been withdrawn pursuant to a requirement for election of species issued on August 23, 2007.

Information Disclosure Statement

2. The information disclosure statement (IDS) submitted on August 29, 2002 is in compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure statement is being considered by the examiner.

Specification

3. The lengthy specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-10 and 17-19 are rejected under 35 U.S.C. 101 because the claims are directed to an abstract idea, and thus do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result.

spread calculation in analyzing a portfolio of mortgages, given that loan spread calculation is a standard for evaluating mortgages.

10. Regarding claim 2 –

Freeman discloses the method of claim 1, wherein the portfolio is associated with a plurality of credit rating categories, each credit rating category being associated with a current category size, and wherein said calculating includes: determining, for the additional mortgage loan, a category size for each credit rating category. (col 14 ln 16-21)

11. Regarding claim 3 –

Freeman discloses the method of claim 2, wherein the determination of category sizes for the additional mortgage loan is based on at least one of: (i) a property type, (ii) a risk value, (iii) debt service coverage ratio information, or (iv) loan to value information. (e.g. col 13 ln 49-59).

12. Regarding claim 4 –

Freeman discloses the method of claim 2, further comprising: adding the category size for the additional mortgage loan to the current category size to determine a combined category size for each credit rating category. (e.g. col 13 ln 11-23).

13. Regarding claim 5 –

Freeman disclose the method of claim 4, further comprising: determining an original profitability of the portfolio; calculating a combined profitability of the portfolio and the additional mortgage loan based on the combined category sizes; and

subtracting the original profitability from the combined profitability to determine a profitability of the additional mortgage loan. (e.g. col 13 ln 60-65).

14. Regarding claim 6 –

Freeman discloses the method of claim 2, wherein the information associated with the additional mortgage loan includes a desired profitability of the additional mortgage loan. (e.g. col 13 ln 60-65).

15. Regarding claim 7 –

Freeman discloses the method of claim 6, wherein said calculation of the loan spread is an iterative process. (e.g. col 16 ln 36-45).

16. Regarding claim 8 –

Freeman discloses the method of claim 7, wherein the iterative process includes: wherein said computing and adjusting are repeated until the resulting profitability is within a predetermined range of the desired profitability. (e.g. col 13 ln 49-59, col 12 ln 59 – col 13 ln 4).

17. As above, Freeman does not disclose calculating a loan spread for the additional mortgage loan in accordance with a contribution of the additional mortgage loan to the portfolio. However, loan spread calculators are old and well-known as evidences by, e.g. Wheatworks). It would be obvious to one of ordinary skill in the art to include loan spread calculation in analyzing a portfolio of mortgages, given that loan spread calculation is a standard for evaluating mortgages.

18. Regarding claim 9 –

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-10, 15, 17-19, 21 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Freeman et al (US 6,249,775) in view of Wheatworks – (Version History: LoanSpread Financial Calculator, at <http://www.wheatworks.com/versionhistorylscp.htm>)

Loan spread calculator,

8. Regarding claim 1 –

Freeman discloses a method to facilitate analysis of a commercial mortgage backed security portfolio associated with a plurality of mortgage loans (e.g. col 1 ln 5-10), comprising:

determining base information associated with the portfolio (e.g. col 3 ln 10-21);

determining information associated with an additional mortgage loan to be added to the portfolio (col 15 ln 35-43).

9. Freeman does not disclose calculating a loan spread for the additional mortgage loan in accordance with a contribution of the additional mortgage loan to the portfolio. However, loan spread calculators are old and well-known as evidences by, e.g. Wheatworks). It would be obvious to one of ordinary skill in the art to include loan

Freeman discloses the method of claim 8, wherein said adjusting is based on duration of the additional mortgage loan. (col 4 ln 61-col 5 ln 5, col 12 ln 59 – col 13 ln 4).

19. Regarding claim 10 –

Freeman discloses the method of claim 9, wherein said adjusting comprises: determining an original duration of the portfolio; calculating a combined duration of the portfolio and the additional mortgage loan; and subtracting the original duration from the combined duration to determine the duration of the additional mortgage loan. (col 4 ln 61-col 5 ln 5).

20. Regarding claim 15 –

Freeman discloses the method of claim 2, wherein said calculating is performed via a substantially real-time pricing application. (col 18 ln 45-55)

21. Regarding claim 17 –

Freeman discloses the method of claim 2, wherein the contribution of the additional mortgage is calculated via a method of subtraction process. (e.g. col 1 ln 1-5).

22. Regarding claim 18 –

Freeman discloses the method of claim 2, wherein the contribution of the additional mortgage loan is calculated via at least one of: (i) a weighted average contributed loan size, (ii) a duration, (iii) a Newton's method process, (iv) a Secant method process, or (v) a root finding method for a non-linear equation. (e.g. Table 2, Table 3).

23. Regarding claim 19 –

Freeman discloses the method of claim 2, further comprising: generating, based on said calculating, individual loan pricing outputs expressed as spread values in accordance with profitability targets. (e.g. col 15 ln 20-30).

24. Regarding claim 21 –

Freeman discloses an apparatus (e.g. fig 10), comprising:

a processor (fig 10, 124); and

a storage device in communication with said processor (fig 10, 122, 120) and storing instructions adapted to be executed by said processor to: determine base information associated with a commercial mortgage backed security portfolio having a plurality of mortgage loans, determine information associated with an additional mortgage loan to be added to the portfolio (fig 10, 134, 150).

25. As above, Freeman does not disclose calculating a loan spread for the additional mortgage loan in accordance with a contribution of the additional mortgage loan to the portfolio. However, loan spread calculators are old and well-known as evidences by, e.g. Wheatworks). It would be obvious to one of ordinary skill in the art to include loan spread calculation in analyzing a portfolio of mortgages, given that loan spread calculation is a standard for evaluating mortgages.

26. Regarding claim 24 –

Freeman discloses a computer-readable medium storing instructions adapted to be executed by a processor to perform a method of facilitating analysis of a commercial mortgage backed security portfolio (e.g. col 1 ln 5-10) associated with a plurality of mortgage loans (e.g. col 3 ln 10-21) said method comprising: determining base

information associated with the portfolio (e.g. col 14 ln 35-45, col 3 ln 5-25); determining information associated with an additional mortgage loan to be added to the portfolio (e.g. col 15 ln 35-45.

27. As above, Freeman does not disclose calculating a loan spread for the additional mortgage loan in accordance with a contribution of the additional mortgage loan to the portfolio. However, loan spread calculators are old and well-known as evidences by, e.g. Wheatworks). It would be obvious to one of ordinary skill in the art to include loan spread calculation in analyzing a portfolio of mortgages, given that loan spread calculation is a standard for evaluating mortgages.

28. Examiner's note: Examiner has cited particular columns and line numbers in the references as applied to the claims above for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may be applied as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention as well as the context of the passage as taught by the prior art or disclosed by the examiner.

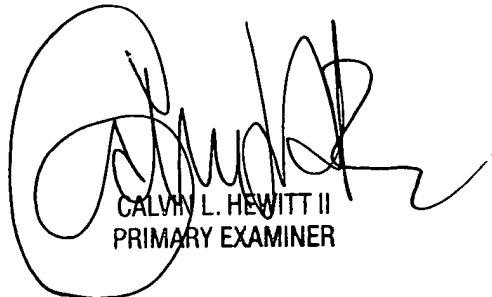
Conclusion

29. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Cristina Owen Sherr whose telephone number is 571-272-6711. The examiner can normally be reached on 8:30-5:00 Monday through Friday.

30. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew J. Fischer can be reached on 571-272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

31. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.


Cristina Owen Sherr
Patent Examiner, AU 3621


CALVIN L. HEWITT II
PRIMARY EXAMINER